

ENERGY FUTURES: THE MIDDLE EAST AND REGIONAL ENERGY TRANSITIONS

ANNUAL EVENT OF THE SPANISH COMMITTEE
OF THE WORLD ENERGY COUNCIL

CEPSA TOWER
SEPTEMBER 25TH 2018



Organized by:



CLUB ESPAÑOL
DE LA ENERGÍA



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Introduction

The traditional annual event of the Spanish Committee of the World Energy Council (CECME), entitled "Energy futures: the Middle East and regional energy transitions", will take place on September 25th at the Cepsa Auditorium in Madrid.

The event - organized together with the Spanish Energy Club and the Elcano Royal Institute, and sponsored by CEPESA includes this year a plenary session with HE Mohammad Sanusi Barkindo, Secretary General of OPEC.

As in past editions, the program tackles two main subjects - geopolitics in the Middle East and North Africa, and energy transitions in different regions of the world -, which need to be analyzed from a global and multidisciplinary perspective. To this end, top panelists - coming from relevant Spanish and international institutions not only in the energy sector but also in the economic, political, and social fields - will participate in the different sessions. Moreover, the leaders of the member companies of CECME will also share their thoughts during the debates.

Round Table 1:

Middle East and North Africa geopolitics

The new oil price cycle partially coincides with political and geopolitical cycles. Price recovery has allowed for a substantial improvement in the main macroeconomic variables in the gas and oil producing countries, thus giving them more fiscal policy space. The consolidation of the alliance between Russia and Saudi Arabia within the OPEC+ has been unaffected by the tension between the two countries over Syria or Iran. However, it has not served to slow down the rate at which the geopolitical situation in the Middle East has been evolving in the past year.

The sanctions that the USA will soon be imposing on Iran have strained expectations still further and will put to the test the new political balance regarding prices in the coming months. The producers in a position to benefit from the new price and geopolitical situations have obtained major political gains and will predictably continue to do so. Yet those producers that are not in a position to take advantage of such benefits could prove to be new sources of geopolitical instability.

This year, the conference first panel focuses on three Middle East and North Africa key actors: Iran, Turkey and Algeria. Although their geopolitical importance is clear, reference must be made to the representativeness of the three countries and their current situation: one major oil producer about to be sanctioned whose impact on the market could exceed more than a million barrels per day; one transit country whose President's mandate has just been renewed, of great strategic interest to Europe but at loggerheads with Cyprus over gas resources, and also a gas ally of Russia, but the latter's rival

in Syria; and the biggest gas producer in the Mediterranean and strategic supplier to Southern Europe, which faces Presidential Elections in 2019, after which it will probably reform its Hydrocarbons Act.

The three cases show different aspects of the effects of hydrocarbon price recovery on the political and economic balances of the producing countries, as well as their repercussions on their neighbours, transit countries, consumers and their competitors. The panel will deal with the situation in the three countries and how it could develop in the short- and medium-term, in order to draw up a map of scenarios and to consider the respective strategic implications.

Round Table 2: Regional energy transitions

A profound energy transition is taking place worldwide. Since 2013, more low carbon power has been installed compared to power generated from hydrocarbons. Several factors are contributing to this transition:

- Technological innovation
- Significant cost reductions in renewables
- The unequivocal evidence of the anthropogenic nature of climate change and its associated impacts
- The political capital invested in adopting the Paris Agreement
- Society's concern about climate change and support for cleaner energy
- The systemic risk from excessive carbon risk exposure

And yet, various scenarios still remind us that the world energy mix is dominated by hydrocarbons, and it is likely to remain that way for the coming decades. Higher decarbonisation rates are needed to align the world with the 'well-below 2 degrees' global average temperature rises that the Paris Agreement calls for.

Regions across the world are embracing the low carbon transition at different paces for various reasons. China's exhaustion of its high carbon economic development model, its air pollution problems and energy dependence, have triggered a 'new normal' development model and an 'energy revolution' that has energy efficiency, renewable energies and electric vehicles at its core. India's quest for reducing poverty, its high coal dependence, the expected increase in energy demand, its commitments to install 100GW of solar power by 2022 and its commitment to e-mobility provide the context for discussing India's energy transition.



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INTRODUCCION



The US federal climate action has stalled under president Trump, but States that have historically been the heartland of oil production are deploying increasing amounts of renewables as the costs of low carbon energy sources plummet. Latin America, contributing to approximately the same amount of GHGs as the EU, has some of the world's most active contributors to the low carbon transition (Brazil, Chile and Mexico, for instance) as well as some of the major hydrocarbon producers (Brazil and Venezuela). Despite stark differences and negotiating alliances, the region has been one of the most active and ambitious in the adoption of the Paris Agreement that provides the basic framework for the low carbon transition.

The European Union, historically a directional climate leader, has just agreed to increase its share of renewables and its energy efficiency targets. These newly acquired commitments enable the EU to increase its ambition in the next round of international climate commitments to be presented in 2020. Alignment with the Paris Agreement is not however ensured under the proposed EU greenhouse gas reduction commitment of 45% by 2030 compared to 1990. Spain is currently developing its Climate and Energy Transition Law as well as its Just Transition plans and has recently signalled it intends to accompany the EU's ambitious actors in the upcoming energy and climate targets.

This second round table will explore the context, opportunities and challenges faced by the above mentioned regions in their low carbon transitions.



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PROGRAMME

Programme

8:30

ATTENDANCE REGISTRATION

9:00 - 9:30

OPENING SESSION

Pedro Miró

*Vice Chairman and CEO
CEPSA*

Emilio Lamo de Espinosa

*Chairman
ELCANO ROYAL INSTITUTE*

Miguel Antoñanzas

*President
SPANISH ENERGY CLUB (ENERCLUB)*

9:30 - 10:30

PLENARY SESSION - KEY ISSUES ON THE GLOBAL ENERGY AGENDA

HE Mohammad Sanusi Barkindo

*Secretary General
ORGANIZATION OF THE PETROLEUM
EXPORTING COUNTRIES (OPEC)*

Íñigo Díaz de Espada

*Chair
SPANISH COMMITTEE OF THE WORLD
ENERGY COUNCIL (CECME)*

10:30 - 11:30

ROUND TABLE I – MIDDLE EAST AND NORTH AFRICA GEOPOLITICS

Moderator

Cristina Manzano

*Director
ESGLOBAL*

Speakers

Gonzalo Escribano

*Senior Analyst and Director of the Energy and
Climate Change Programme
ELCANO ROYAL INSTITUTE*

David Ramin Jalilvand

*Independent Consultant and Research
Associate
THE OXFORD INSTITUTE FOR ENERGY
STUDIES*

Emre Iseri

*Chair, Department of International Relations
YAŞAR UNIVERSITY*

11:30 - 12:15

COFFEE BREAK

12:15 - 13:15

ROUND TABLE II – REGIONAL ENERGY TRANSITIONS

Moderator

María Mendiluce

*Managing Director
WORLD BUSINESS COUNCIL FOR
SUSTAINABLE DEVELOPMENT (WBCSD)*

Speakers

David Nelson

*Executive Director, Energy Finance
CLIMATE POLICY INITIATIVE (CPI)*

Ferrán Tarradellas

*Head of the European Commission
representation in Barcelona
EUROPEAN COMMISSION*

ENERGY FUTURES:

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César Emiliano Hernández

*Head, Planning, Institutional Relations and
International Affairs Unit
FEDERAL ECONOMIC COMPETITION
COMMISSION (COFECE)*

Juan José Alba

*Director of Regulation
ENDESA*

Francisco Laverón

*Head of Energy Prospective
IBERDROLA*

13:15 -14:15

KEY NOTES FROM CECME MEMBERS AND CLOSING CEREMONY

Manuel Fernández

*Chief Operating Officer, Gas & Power
NATURGY*

Pedro Antonio Merino

*Chief Economist
REPSOL*

Rafael Estrella

*Deputy Chairman
ELCANO ROYAL INSTITUTE*

Rosa María Sanz

*President
SEDIGAS*

Íñigo Díaz de Espada

*Chair
CECME*

Álvaro Solano

*Sales Manager Siemens Power & Gas
SIEMENS*

Front Row Participants

Paloma Sevilla

*Managing Director
AELEC*

Francisco Rodríguez

*Director General of Regulation and Institutional
Relations
VIESGO*

Luis Travesedo

*Vice President E&P
CEPSA*

14:15

END OF THE MEETING

Francisco Pablo de la Flor

*Director International Organizations
ENAGAS*

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INFORMATION AND REGISTRATION

Information and registration

VENUE

Torre CEPSA,
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28046 Madrid

REGISTRATION

On-line registration only (www.enerclub.es).

Once you submit your registration request you will receive an automatic response of receipt from the system (**please note this is not a confirmation of registration**). It is mandatory to get another email from Enerclub (basedatos@enerclub.es) confirming your registration.

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